

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUDAPE 01967 151436Z
ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 /021 W
-----104767 151502Z /47
R 151338Z MAY 78
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC 1470
USDOC WASHDC

LIMITED OFFICIAL USE BUDAPEST 1967

USDOC FOR BEWT

E.O.11652: N/A
TAGS: EEWT, HU
SUBJECT: DOW CHEMICAL REPRESENTATION OFFICE AND POSSIBLE JOINT
VENTURE IN HUNGARY

1. LAST WEEK WAS DOW CHEMICAL WEEK IN BUDAPEST FOR A
SMALL CIRCLE OF INFORMED BUSINESSMEN IN THE HUNGARIAN
CHEMICAL WORLD.

2. ZOLTAN MERSZEL, NEWLY ELECTED DOW CHAIRMAN OF THE
BOARD, CAME TO BUDAPEST:

-- TO INAUGURATE OFFICIALLY THE OPENING OF DOW'S
REPRESENTATION OFFICE. THE OFFICE OPERATES UNDER THE
AUTHORITY OF A HUNGARIAN AGENCY COMPANY, EUROCOM. IT
HAS ITS OWN OFFICE, TELEPHONE, TELEX, CAR, AND THREE
HUNGARIAN EMPLOYEES. THE OFFICE IS AS LARGE AND MODERN
AS DOW WISHES, BUT IS LOCATED POORLY ON A LITTLE MUDDY
STREET IN A BUDAPEST SUBURB. DOW PAYS \$600 A MONTH
PLUS A SALES COMMISSION TO EUROCOM FOR THIS OFFICE.
IF COOPERATION PROJECTS CURRENTLY UNDER DISCUSSION COME
TO FRUITION, HUNGARIAN AUTHORITIES HAVE INDICATED THAT
DOW WILL BE ABLE TO CUT THE UMBILICAL CORD WITH EUROCOM.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUDAPE 01967 151436Z

--TO SIGN A LETTER OF UNDERSTANDING WITH CHEMOLIMPEX
FOR THE ESTABLISHMENT OF A JOINT VENTURE WITH THE HUNGARIAN
PRODUCER TVK WD MAKE POLYPROPL AT LENIN VAROS. THE CAPITAL
OF THE JOINT VENTURE HAS BEEN ESTIMATED TO THE EMBASSY
AT FROM \$10 MILLION (BY DOW) TO \$30 MILLION (BY
CHEMOLIMPEX). UP TO THREE DOW MANAGERIAL EMPLOYEES WILL BE
STATIONED AT LENIN VAROS WHEN THE PLANT COMES ON STREAM.

DETAILS OF THE JOINT VENTURE REMAIN TO BE NEGOTIATED.

-- TO INITIATE DISCUSSIONS WHICH MAY LEAD TO FURTHER
JOINT VENTURES OR COOPERATION WITH HUNGARIAN COMPANIES.
ADAM JUHASZ, STATE SECRETARY OF THE MINISTRY FOR HEAVY INDUSTRY,
TOLD THE CHARGE THAT THESE DISCUSSIONS INVOLVE COOPERATION
PROJECTS IN THE FIELDS OF FERTILIZER, PAINTS AND PLANT PROTECTION
MATERIALS PRODUCTION WITH A TOTAL VALUE OF \$300 MILLION.

3. DOW NOW HAS ANNUAL SALES OF \$6 MILLION IN HUNGARY,
MAKING IT ONE OF DOW'S SMALLEST MARKETS IN EASTERN EUROPE.
THIS CONDITION GIVES GREAT PAIN TO MERSZEI, WHO WAS BORN IN
HUNGARY. IF EVEN SOME OF THE PROJECTS CURRENTLY UNDER DISCUSSION
ARE REALIZED, HUNGARY COULD BECOME ONE OF THE MOST INTERESTING
COUNTRIES IN EUROPE FOR DOW.

4. DOW HAS REQUESTED THAT INFORMATION ABOUT ITS PLANS
BE KEPT IN STRICTEST CONFIDENCE.
WILGIS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHEMICALS, JOINT VENTURES, ESTABLISHMENT OF OFFICES
Control Number: n/a
Copy: SINGLE
Draft Date: 15 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BUDAPE01967
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780205-0396
Format: TEL
From: BUDAPEST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780560/aaaabyio.tel
Line Count: 80
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: fa9a1c9f-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2695577
Secure: OPEN
Status: NATIVE
Subject: DOW CHEMICAL REPRESENTATION OFFICE AND POSSIBLE JOINT VENTURE IN HUNGARY
TAGS: EEW, HU, DOW CHEMICAL
To: STATE COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/fa9a1c9f-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014